

### **Presentation Overview**

{Company name} Senshu Electric CO.,LTD. (Stock Code: 9824)

{Fiscal Year End} Fiscal Year October 2025

{Day} December 10, 2025 (Wed.) 10:30-11:30

{Place} 2-2-1 Nihonbashi Muromachi, Chuo-ku, Tokyo

14th Floor Seminar- Room, Muromachi Head Office, Okasan Securities Co., Ltd.

{Speaker} Motohide Nishimura, Representative Director and President

Isamu Fukuda, Director and General Manager of Corporate Planning Office



I am Nishimura, the president of Senshu Electric.

Today, I will be presenting our FY2025/10 financial results.

Regarding FY2025/10,

Unfortunately, it resulted in a decrease in both revenue and profit.

During the previous fiscal period, despite having experienced four consecutive years of revenue and profit growth and three consecutive years of record-breaking profits, issues such as capital expenditure and labor shortages led to decreased profits.

In the new period, we will strive to once again ride the uptrend.

I would like to explain its outline within the context of the medium-term management plan.

First, at the beginning of this financial statement, we are expressing the fields Senshu Electric is currently focusing on, so I will explain briefly.

From the left side, we have the semiconductor field, then moving up to robots, automotive sector, and electric vehicles.

Moving to the right, there's electric cables for heating agricultural panels.

And we are heavily focusing on areas such as solar power generation and control panel panels as we proceed.

In the diagram of the building below, many cables are used throughout the construction in general, so we are also working considerably in this overall construction.

This is what it represents.

Also, the colored section on the bottom right with November 18 marks the logo for Wire & Cable Day. Wire & Cable Day was established in 2018, and although it's already been seven years, we believe it is gradually becoming recognized in the world.

Coincidentally, that day is the anniversary of the founding of Senshu Electric. Senshu Electric is entering its 77th fiscal year this term, and we are looking to further enhance our performance alongside cables.

## Outline



- 1. Group Overview
- 2. October 2025 Summary of financial results
- 3. Medium term management plan SS2027 Progress
- 4. Reference data

SENSHU ELECTRIC CO.,LTD.

This time, I would like to explain Group overview, the financial results for FY2025/10, the progress of the medium term management plan announced last December, and reference materials including copper prices.



1. Group Overview

SENSHU ELECTRIC CO.,LTD.

## **Group Overview**



Established November 18, 1949

Shares Tokyo Stock Exchange Prime
Capital 2,575,200,000yen [US\$17Mil.]

Type of industry Wholesale distributor

(Industry leader of electric wires general trading company)

No. of employees 838 (Average age:39.6)

No. of subsidiaries 7 in Japan and 7 in overseas (China/Taiwan/Thailand/Philippines/Vietnam/USA)

No. of offices 18 in Japan







USA

SENSHU ELECTRIC CO.,LTD.

First, the business overview. Senshu Electric was founded in 1949.

The company started on November 18, 1949.

It is currently listed on the Tokyo Stock Exchange Prime Market.

With a capital of 2.5 billion yen, the industry is commerce, specialized trading company for electric cables. While primarily focusing on electric cables, the company is expanding its activities and broadening its scope, making it the leading company in the electric cable industry.

The company has 838 employees on a consolidated basis. The average age is 39.6 years. Currently, there are 7 subsidiaries in Japan and 7 overseas, operating in countries including China, Taiwan, the Philippines, Vietnam, and the United States.

Currently, our domestic business locations span from Hokkaido to Okinawa, numbering 18 in total.

We have established a solid system to deliver the necessary electric cables to our domestic customers, precisely when they need them. We hope you understand that our company ensures this.

#### Sales Channels of Electric Wires Electric power Communications (Each electric powe (NTT etc.) supply companies) Electric wire Other domestic Electric machinery manufacturers demand (General manufacturers) Steel/ship building etc.) **Direct demands** Automobiles (Related companies) SENSHU ELECTRIC **Electrical facilities** demands materials sales companies Sales channels of electric wire Manufacturers Our sales channels (Electrical materials) Construction/ Our sales channels(Direct demands) Our sales channels(Electrical facilities) Electrical sales Sales channels of our customers SENSHU ELECTRIC CO..LTD.

Next, Sales Channels of Electric Wires, this diagram illustrates how the electric cables manufactured by the producers reach the end-users or are used in construction through trading companies like ours.

Currently, there are over 400 electric cable manufacturers in Japan, which is a significantly large number. Among the major listed manufacturers, particularly those dealing in power cables, the most well-known direct customers are electric power companies. Additionally, communication companies, such as NTT and those dealing with general communications, also engage in direct transactions.

Furthermore, for sectors related to automobiles, electrical machinery, semiconductor manufacturing equipment, and iron and steel shipbuilding, which require a considerable amount of supplies, electric cable manufacturers provide substantial quantities annually through direct sales.

However, as for the Construction electrical sales section highlighted in blue below, regarding the electric wires used for private construction and housing, electric wire manufacturers do not sell directly. Instead, they use trading companies like ours.

This sector accounts for more than 40% of copper wire sales, making it a significant field.

Among this, specialized trading companies like ours purchase wires from manufacturers,

take the form of selling electric cables to nationwide trading companies known as electric construction material dealers, who handle electrical construction materials.

There are currently over 1,000 such trading companies nationwide, and they sell electric cables and electrical materials to electrical construction companies or end-users in each region.

The proportion of sales accounted for by electric cables for these electric facilities material dealers is said to be about 20% to 30%.

Next, this electric facilities materials distributor, which sells electrical construction materials, is selling to electrical construction companies nationwide. There are now more than 60,000 electrical construction companies across the country.

These materials are sold daily to many of these companies, and among them, around the top 30 companies are major firms..

The Electric materials route and Electric facilities route form the foundation of the construction electrical sales market. However, Senshu Electric does not stop there. It collaborates with small and medium-sized electric wire manufacturers to create products that can only be sold by Senshu Electric. Typically, electric wire manufacturers sell electrical machinery, semiconductor machining equipment, or automotive manufacturing-related products on a Direct-demand basis.

In addition, we have a route to sell directly to various manufacturing companies.

We call this the Direct demands route.

Currently, please understand that Senshu Electric is developing its distribution channels for electric cables through three routes: Electric materials, Electric facilities, and Direct demands.

#### Major Customers (image) (More than 3,700 Customers) **Electrical** Electrical There are approximately 1100 materials major electric material stores construction or Electrical facilities materials sales that are members of the union Top 30 Electrical Constructors **Building/Mansions** (Focusing on major companies) Solar Power Generation manufacturing plant, Data center, etc. Manufacturers of machines and robots that produce machine tools, automobiles, semiconductors, etc. Direct demands (End-users) Machine tools Semiconductor Automobile facilities /industrial machines related manufacturing SENSHU ELECTRIC CO.,LTD.

In terms of customers, currently, Senshu Electric has over 3,700 customer companies, and including affiliates, it is about 4,500 companies. As mentioned earlier, they are broadly classified into Electric materials, Electric facilities, and Direct Demands. The largest area is electric materials.

Since Senshu Electric started its business 77 years ago, it has developed deep connections with electric material stores across the nation.

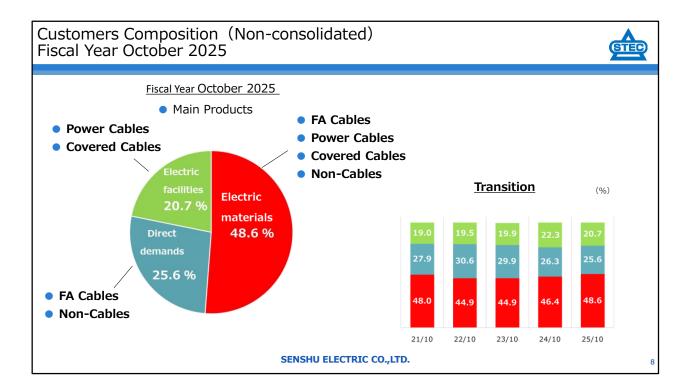
These electric material stores sell electrical materials, including electric cables, to small and medium-sized electrical contractors, who are responsible for buildings, apartments, residences, structures nationwide, and sometimes even solar and wind power generation. Following that, projects related to electric facilities are generally taken up by large-scale electrical contractors, involving relatively large properties.

In recent completions, for instance, Expo 2025 Osaka, Kansai, Japan was also a major project. We also handle jobs where we receive orders for cables and deliver them a year and a half later.

We used to call handling such large projects "Electric facilities."

The rest pertains to "Direct demands," which includes machine tools, automotive production lines, and semiconductor manufacturing.

We are in the business of selling ekectric cables or taking orders for processing including electric cables.



In terms of composition, the Electric materials segment is the largest.

In terms of the sales breakdown, about half is Electric materials. The rest consists of Electric facilities and Direct demands, with slightly more on the direct demands side. The items sold under electric facilities are called Power Cables, which are wires with a high proportion of copper. When the copper price rises as it has recently, the sales composition ratio in this field increases.

Looking at the movement over the past five years, there is a trend of a slightly higher weight on electric facilities.

## Three Business Models



## 1

#### **JUST IN TIME system**



### Original products



## Cable assembly (Electric wire terminal processing)

Electric wires of about 200,000 types & difficult to stock in terms of space and theft due to their heavy weight. We have a warehouse floor space of approximately 70,000 m in Japan (Sapporo to Okinawa) with over 50,000 kinds of products, have established a JUST IN TIME system.



FA cables (Factory Automation (FA) cables used for robots, etc.) with a wire manufacturer and sold them as original products. We accurately grasp a wide variety of needs and play a role as a technical trading company.

In addition to the sale of electric wires, we respond to the processing needs of small lots and a wide variety of products and short delivery times, such as electric wires and control panels with terminals, at 8 of our 18 bases nationwide. In addition, group companies will also develop a system and work together.



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Our company has three business models. One is JUST IN TIME.

We call the system that delivers the necessary electric cables to customers exactly when needed JUST IN TIME. This is possible because we have warehouses nationwide and maintain a solid lineup of products. Moreover, we work closely with each electric cable manufacturer to understand which manufacturer can produce which cables at what timing, allowing us to respond to customer needs accordingly.

It is said that there are approximately 200,000 types of electric cables.

There are various sizes and different types of electric cables for various uses, and Senshu Electric has over 50,000 types of stock in a logistics warehouse of 70,000 square meters nationwide.

From the perspective of customers, if you visit Senshu Electric, you can generally secure a certain quantity of almost any type of electric cables at Senshu Electric. This is the kind of offering they provide.

They are expanding while maintaining this kind of reliability.

As mentioned, from Hokkaido to Kyushu and Okinawa, holding stock is quite a challenging task.

The wire itself is extremely heavy, and a sturdy warehouse is necessary to stock it. Additionally, with the recent rise in the price of copper used in today's wires, they are highly susceptible to theft, so a warehouse that ensures sufficient theft prevention is also required.

Conversely, from the customer's perspective, it is very difficult to stock wires, making it increasingly important to purchase them from trading companies like Senshu Electric when needed.

The second point is the original products.

In particular, FA cables are products available only from Senshu Electric. We have collaborated for many years with small and medium-sized wire manufacturers possessing high technical capabilities, conducting market research, developing these cables, and bringing them to market. They are also expanding the market through promotion at exhibitions and so forth. From the customer's viewpoint, even though Senshu Electric is a trading company, it is treated similarly to a manufacturer in this field.

This field of factory automation, which will continue to grow significantly in the future, is where Senshu Electric has a strong advantage.

The third aspect involves terminal processing of electric cables and cable assembly. The original business model was to sell electric wires directly from right to left. However, when dealing with customers related to Direct demands, Senshu Electric started being requested to attach components to electric cables or assemble them on panels, etc., which were tasks that customers used to do themselves. To carry out this work, we have processing plants nationwide.

At these facilities, we cut the electric wires, attach components, and even install them on panels. This capability is a distinguishing feature of our company. By doing this, Senshu Electric not only allows clients to use our original products, which we specialize in, but also provides the advantage of absorbing the customer's technology.

Senshu Electric is represented as STEC in the company name. Between Senshu Electric, the letter T is added, representing Technology. This symbolizes the evolving trading company and the business model we are developing to achieve higher profits.



2 . October 2025 Summary of financial results

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## Consolidated Financial Highlights



#### **Achievements**

- Demand for semiconductor manufacturing equipment and machine tools and automobile has been delayed. Also construction and electrical sales are experiencing project delays due to soaring material costs and labor shortages.
- · Average copper price increased 4.8% year on year to 1,476,000 yen/t



### **Shareholder Returns**

(Dividend and acquisition of treasury stock)

- Fiscal Year Ended October 2025 150 yen per year (Interim dividend: 75 yen, Year-end dividend: 75 yen)
- Fiscal Year Ended October 2026 Forecast: 150 yen per year
- Treasury stock acquisition 100,000 shares 500,000,000 yen(limit) (Acquisition period 2025/11/1 to 2026/4/30)

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Now, let us move on to the financial summary.

As mentioned at the beginning, unfortunately, the fiscal year 2025/10 results show a decrease in both revenue and profit.

Firstly, related to direct demands, especially for semiconductor manufacturing equipment and machine tools, the demand has been slightly delayed, leading to a slow recovery.

This situation, in comparison to our company, has already been lagging behind for more than a year. However, we are seeing the bottom has been reached and recovery is underway. We are currently expanding our customer base steadily and proceeding with our plans.

Next is the Construction electrical sales division.

In reality, while sales themselves have slightly increased, the volume is still declining.

The reason for this decline, which can be said for the construction industry as a whole, is the shortage of manpower, leading to extended construction periods and delays compared to the past.

As a result, the timing when sales should increase is being delayed or postponed, thus these factors are also impacting us.

The manpower shortage in the construction industry is very severe. On the other hand, it is resulting in selective acceptance of orders, leading to a significantly improved profit structure for the industry.

However, as a future problem, we are moving forward with deep interest in this matter.

However, there are points where increasingly larger projects are further advancing.

The construction of the IR casino has now started on the site of Expo 2025 Osaka, Kansai, Japan. It's said to be opening in 2030, and for that, a substantial amount of electric cable will be needed by around 2028. Including such needs, and also addressing demands for data centers, renewable energy, and urban development in the Tokyo metropolitan area, are tasks at hand.

Regarding semiconductor manufacturing equipment, machine tools, and automotive industries, the issue with Trump's tariffs emerged in the first half of this year. A certain level of resolution has been achieved; however, there are still some instances where capital expenditure has been postponed.

On the other hand, the copper price is 1,470,000 yen, a 4.8% increase compared to one year ago.

The increase of 4.8% is relatively small compared to last year's growth of about 12%. However, there has been a sudden rise in copper from the latter half of September to October.

As of today, December 9, the current price is 1 million 880 thousand yen, showing a significant increase in copper price. Next is the Shareholder Return Policies.

For FY2025/10, there is an annual dividend of 150 yen, which is an increase of 20 yen compared to October 2024.

There is an increment of 10 yen each at both the interim and year-end.

We are currently forecasting the dividend for the October 2026 period to remain at 150 yen.

This too will likely be subject to flexible dividends depending on performance.

Additionally, with the acquisition of own shares.

Currently, what is being progressed is the purchase of up to 100,000 shares of our own company's stock from November until next April, with a limit of 500 million yen.

## Consolidated income statements overview



| (Unit : million yen, '                           |           |        |            |                      |         |        |  |  |
|--|-----------|--------|------------|----------------------|---------|--------|--|--|
|  | 2024/10   |        | 2025/10    | Increase or decrease |         |        |  |  |
| Net sales  | 136,153   | 100.0  | 135,591    | 100.0                | (561)   | (0.4)  |  |  |
| Cost of sales                                    | 115,007   | 84.5   | 115,100    | 84.9                 | 93      | 0.1    |  |  |
| Gross profit                                     | 21,145    | 15.5   | 20,491     | 15.1                 | (654)   | (3.1)  |  |  |
| Selling, general and administrative expenses     | 10,795    | 7.9    | 11,538     | 8.5                  | 742     | 6.9    |  |  |
| Operating profit                                 | 10,349    | 7.6    | 8,952      | 6.6                  | (1,397) | (13.5) |  |  |
| Non-operating income                             | 525       | 0.4    | 616        | 0.4                  | 90      |        |  |  |
| Non-operating expenses                           | 114       | 0.1    | 296        | 0.2                  | 182     |        |  |  |
| Recurring profit                                 | 10,761    | 7.9    | 9,272      | 6.8                  | (1,489) | (13.8) |  |  |
| Extraordinary income                             | 349       | 0.3    | 557        | 0.4                  | 208     |        |  |  |
| Profit before income taxes                       | 11,110    | 8.2    | 9,829      | 7.2                  | (1,280) | (11.5) |  |  |
| Total income taxes                               | 3,501     | 2.6    | 3,080      | 2.2                  | (421)   |        |  |  |
| Profit   | 7,609     | 5.6    | 6,749      | 5.0                  | (859)   | (11.3) |  |  |
| Profit attributable to non-controlling interests | 31        | 0.0    | 31         | 0.0                  | 0       |        |  |  |
| Profit attributable to owners of parent          | 7,578     | 5.6    | 6,717      | 5.0                  | (860)   | (11.4) |  |  |
| Average copper price<br>(Thousand yen/t)         | 1,409     |        | 1,476      |                      | 67      | 4.8    |  |  |
|  | SENSHU EL | ECTRIC | C CO.,LTD. |                      | •       |        |  |  |

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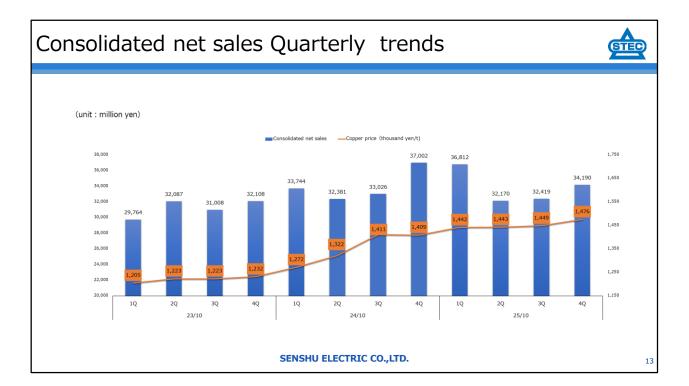
This is the consolidated income statement.

As you can see, there is only a slight decrease in sales, a revenue decline of 0.4%. Additionally, the gross profit is 654 million yen, which is a 3.1% decrease.

The gross profit margin has decreased from 15.5% to 15.1%, a decline of 0.4 % points. On the other hand, selling, general and administrative expenses have increased by 6.9%. The increase in these expenses is primarily due to personnel costs. Ensuring a stable workforce is a critical issue for us, and with actions like base pay raises, personnel costs are rising. Additionally, since we are also making other capital expenditures, depreciation costs are also increasing. With a decline in the gross profit margin and an increase in selling, general, and administrative expenses, operating profit has decreased by 13.5% from the previous year, amounting to 8,952 billion yen. This has resulted in a profit decline for the first time in five years.

In addition, by including non-operating income and expenses, the recurring profit has reached 9,272 billion yen, resulting in a 13% decline compared to the previous year. Profit attributable to owners of Parent also showed an 11% decline.

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This is a graph showing consolidated sales on a three-month basis.

In the completed fiscal year, 1Q was strong, but there was a sharp drop in 2Q, and although it recovered afterward, ultimately it did not meet the initial budget, which is the result.

The previous period also had a strong 1Q, then a drop, and finally a surge. On a quarterly basis, 4Q of two years ago and the 1Q of the previous period were the highlights. As for copper prices, they have been gradually increasing.

#### Sales by Product (Non-consolidated) 2024/10 (Unit: million yen) 2024/10 2025/10 mpositi ratio Increase or decrease 1%13.6% FA Cables 42,615 32.9% 40,163 31.3% (2,452)(5.8%)Power Cables 51,985 49,724 38.4% 40.5% 2,261 4.5% Covered Cables 12,944 12,120 (824) 10.0% 9.5% (6.4%)2025/10 Other Cables 6,541 6,604 5.1% 5.1% (63)(1.0%)Non-Cables 17,596 13.6% 17,413 13.6% (183)(1.0%)Total 129,485 100.0% 128,224 100.0% (1,261)(1.0%)Average copper price 1,409 1,476 4.8%

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Next is the breakdown of individual sales.

(Thousand yen/t)

Since more than 95% of Senshu Electric's sales are from individual sales, we present the breakdown as follows.

From the top, equipment and communication cables, where FA cables are included, this time have had a 5% decrease in sales.

For the fiscal year ending in October 2024, it was 42.6 billion yen, and for FY2025 ending in October, it fell by 2.4 billion yen to 40.1 billion yen. However, it had been growing by about 10% before that, so some of this is a reaction to the previous term.

Additionally, there is a slight shift in areas that should have grown, but semiconductor manufacturing equipment and machine tools are steadily recovering from the bottom. We aim to grow this firmly in the fiscal year ending in October 2026.

Next, Power Cables have increased by 4.5%.

While this has seen growth, the increase in copper prices by 4.8% has the most significant impact on this product group.

However, as I mentioned at the beginning, there have been delays in construction periods, and actual sales have slightly stagnated. There is also a lull in large projects. Following the large-scale semiconductor factory in the first half of the year, business had been quite sluggish, especially toward the latter part of the first half. Covered Cables relate to the housing sector, and they were not doing very well.

Other cables include the basic materials like bare copper cables, which contribute to the sales.

Then there are Non-Cables and harness processing, which include solar-related products, and they also experienced about a 1% decrease, leading to an overall 1% sales decline on a standalone basis.

The main reason for the overall decline in the profit margin is that the sales composition ratio of high-margin equipment and communication wires as well as non-cables has decreased.

## Forecast of consolidated financial results



| (Unit:million | yen, | %) |
|---------------|------|----|
|---------------|------|----|

|  | 2025/10 | Composition | 2026/10     |                 |      | 2025/10 Composition |       | 2026/10  |                   |      |
|--|---------|-------------|-------------|-----------------|------|---------------------|-------|----------|-------------------|------|
|  | 2Q      |             | 2Q forecast | Composition YoY |      | 2025/10             |       | forecast | Composition ratio | YoY  |
| Net sales                                | 68,982  | 100.0       | 70,000      | 100.0           | 1.5  | 135,591             | 100.0 | 144,000  | 100.0             | 6.2  |
| Operating profit                         | 4,798   | 7.0         | 5,000       | 7.1             | 4.2  | 8,952               | 6.6   | 10,700   | 7.4               | 19.5 |
| Recurring profit                         | 5,025   | 7.3         | 5,100       | 7.3             | 1.5  | 9,272               | 6.8   | 11,000   | 7.6               | 18.6 |
| Profit attributable to owners of parent  | 3,405   | 4.9         | 3,500       | 5.0             | 2.8  | 6,717               | 5.0   | 7,700    | 5.3               | 14.6 |
| Average copper price<br>(Thousand yen/t) | 1,44    | 3           | 1,60        | 0               | 10.9 | 1,476               | ,     | 1,600    | )                 | 8.4  |

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This is just a forecast.

For the fiscal year ending October 2026, we are forecasting increased revenue and profit, with an expectation of achieving record-high profits.

We expect sales of 144 billion yen, representing a 6.2% increase YoY, operating profit of 10.7 billion yen, a 19.5% increase in earnings, recurring profit of 11 billion yen, an 18.6% increase in earnings, and Profit attributable to owners of parent of 7.7 billion yen, a 14.6% increase in earnings.

At the time this plan was devised, the copper price was estimated at 1,600,000 yen. Compared to last year's average, there is an increase of 8.4% in the copper price. However, as I mentioned earlier, the current copper price has risen to 1,880,000 yen, so I would like to take a careful review on a quarterly basis.

## Consolidated Balance Sheet overview



|   |         |         |                         |   |         |         | (Unit: million yen)     |
|---|---------|---------|-------------------------|---|---------|---------|-------------------------|
|   | 2024/10 | 2025/10 | Increase or<br>decrease |   | 2024/10 | 2025/10 | Increase or<br>decrease |
| Cash and deposits                                     | 30,513  | 32,966  | 2,453                   | Notes and accounts payable - trade              | 48,676  | 45,261  | (3,414)                 |
| Notes and accounts receivable - trade                 | 26,451  | 22,029  | (4,421)                 | Short - term borrowings                         | 381     | 461     | 79                      |
| Electronically recorded<br>monetary daims - operating | 13,149  | 10,844  | (2,305)                 | Current portion of bonds payable                | 14      | 14      | -                       |
| Securities  | 20      | 2,000   | 1,979                   | Income taxes payable                            | 2,262   | 1,303   | (959)                   |
| Merchandise   | 8,046   | 7,807   | (238)                   | Provision for bonuses                           | 852     | 841     | (11)                    |
| Work in process                                       | 194     | 107     | (87)                    | Other current liabilities                       | 1,732   | 1,441   | (292)                   |
| Raw materials and supplies                            | 294     | 218     | (76)                    |   |         |         |                         |
| Other current assets                                  | 772     | 321     | (451)                   |   |         |         |                         |
| Total current assets                                  | 79,442  | 76,294  | (3,148)                 | Total current liabilities                       | 53,920  | 49,323  | (4,596)                 |
| Property, plant and equipment                         | 21,887  | 22,241  | 354                     | Bonds payable                                   | 28      | 14      | (14)                    |
| Intangible assets                                     | 245     | 130     | (114)                   | Retirement benefit liability                    | 2,224   | 2,066   | (158)                   |
| Investments and other assets                          | 10,881  | 12,335  | 1,453                   | Other non-current liabilities                   | 680     | 673     | (7)                     |
| Total non-current assets                              | 33,014  | 34,708  | 1,693                   | Total non-current liabilities                   | 2,935   | 2,755   | (180)                   |
|   |         |         |                         | Total liabilities                               | 56,856  | 52,079  | (4,777)                 |
|   |         |         |                         | Share capital                                   | 2,575   | 2,575   | _                       |
|   |         |         |                         | Capital surplus                                 | 700     | 700     | _                       |
|   |         |         |                         | Retained earnings                               | 53,760  | 55,036  | 1,275                   |
|   |         |         |                         | Treasury shares                                 | (3,997) | (2,260) | 1,736                   |
|   |         |         |                         | Total shareholders' equity                      | 53,038  | 56,051  | 3,012                   |
|   |         |         |                         | Total accumulated other comprehensive<br>income | 2,172   | 2,404   | 232                     |
|   |         |         |                         | Share acquisition rights                        | 22      | 40      | 17                      |
|   |         |         |                         | Non-controlling interests                       | 368     | 427     | 59                      |
|   |         |         |                         | Total net assets                                | 55,601  | 58,923  | 3,322                   |
| Total assets  | 112,457 | 111,002 | (1,454)                 | Total liabilities and net assets                | 112,457 | 111,002 | (1,454)                 |

The balance sheet appears as follows. While total assets are generally declining, the content shows an increase in cash deposits. Cash deposits are 32.9 billion yen, which is an increase of 2.4 billion yen YoY.

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Additionally, notes receivable and accounts receivable, as well as electronically recorded monetary claims, have decreased by more than 6 billion yen.

This is indeed due to the fact that at the end of the previous year, as mentioned earlier with the quarterly sales basis, there was a significant sales increase, which resulted in this decline as a reaction.

Similarly, the accounts payable and notes payable on the right have decreased for the same reason.

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## Shareholder Return Policies





#### Dividend(Forecast 150 yen per year)

Setting stable dividend payment as our basic policy, we are paying dividends considering and examining business results and retained earnings, etc. comprehensively.

Fiscal Year Ending October 2025 is **Interim dividend:75 yen, Year-end dividend:75 yen,** Fiscal Year Ending October 2026 is interim dividend: 75 yen, year-end dividend:75 yen, for an annual total of 150 yen.



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#### Treasury stock acquisition

We acquire treasury stock in order to improve shareholder returns, improve capital efficiency, and implement flexible capital policies in response to changes in the business environment.



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#### Stockholder benefit program

(Once a year (at year end), 1 unit (100 shares) or more) Less then 1 year: Our original QUO card (1,000 yen) One year or more: Our original QUO card (2,000 yen)

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Next, regarding the return strategy, the dividends for FY2025/10 are set at 150 yen, which is an annual increase of 20 yen, and the forecast for this fiscal year is to maintain this amount of 150 yen.

However, we would like to consider this based on future performance. As of this FY2025/10 stage, it has been 12 consecutive years of dividend increases.

Next is the share treasury stock acquisition. This is also ongoing, with the current ongoing treasury stock acquisition announced on 31,October. It involves 100,000 shares, 500 million yen, and is currently being implemented until the end of April next year. Additionally, we are issuing a Stockholder benefit, Quo card.



3. Medium term management plan SS2027 Progress

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## Medium term management plan SS2027 : Target (Announced on December 9, 2024)



For the fiscal year ending October 2025, revenue and profits decreased compared to YoY.

However, the "Senshu Electric Group Medium term management plan" (SS2027) announced on December 9, 2024, remains unchanged.

|                                | 2024/10<br>Results | 2025/10<br>Results | 2027/10<br>Target   | 25/10 compare<br>(Progress Ratio) |
|--------------------------------|--------------------|--------------------|---------------------|-----------------------------------|
| Net sales                      | 136.1 billion yen  | 135.5 billion yen  | 160 billion yen     | 84.7%                             |
| Recurring profit               | 10.7 billion yen   | 9.2 billion yen    | 13 billion yen      | 70.8%                             |
| ROE                            | 14.4%              | 11.8%              | More than 15%       | +3.2pt                            |
| Dividend payout ratio          | 30.1%              | 38.7%              | More than 35%       | -                                 |
| Total shareholder return ratio | 48.0%              | 58.4%              | More than 50%       | -                                 |
| PBR                            | 1.62 times         | 1.33 times         | More than 2.0 times | +0.67倍                            |

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Next is the progress of the medium term plan.

In the medium term plan announced on December 9, 2024, for the fiscal year ending October 2027, we have set targets of 160 billion yen in sales, 13 billion yen in recurring profit, more than 15% ROE, a dividend payout ratio of more than 35%, a total return ratio of more than 50%, and a PBR of more than 2 times. However, the FY 2025/10 performance has regressed.

All indicators, except for the dividend payout ratio and total shareholder return ratio, have also taken a step back.

This includes the progress rate.

The progress rate towards the target is 84.7% for sales and 70.8% for recurring profit. The return on equity also needs to increase by an additional 3.2 points.

The dividend payout ratio has risen due to the decline in profits, but the rate of return has similarly increased. PBR is at 1.3 times, still far from reaching 2 times, and I believe it's crucial to figure out how to bridge this gap. How can we fill this gap? First, we aim to achieve this fiscal year's forecast and then take on the challenge of reaching an even higher target next fiscal year.

However, the copper base is stronger than expected, and there will be some significant large-scale projects over the next five years.

We need to respond to these firmly, and it is anticipated that there will be significant activity in relation to capital expenditure in general.

Under the current new administration of Takaichi, the Liberal Democratic Party intends to announce a new economic policy next year. Regarding capital expenditure, I have heard that there will be considerable tax reductions.

This will be implemented regardless of the size of the company, so there is also the issue of labor shortages, which is interconnected with capital expenditure as a whole.

I believe it is becoming stronger.

At the beginning of December, an event called the International Robot Exhibition was held at Tokyo Big Sight. It was very successful and attracted a large crowd. Regarding future developments in the field of robotics, we believe there are a considerable number of various needs emerging. By firmly addressing these areas and connecting them to the next stage of expansion, I think achieving this target is also possible.

# Medium term management plan SS2027: Market Environment and Forecasts



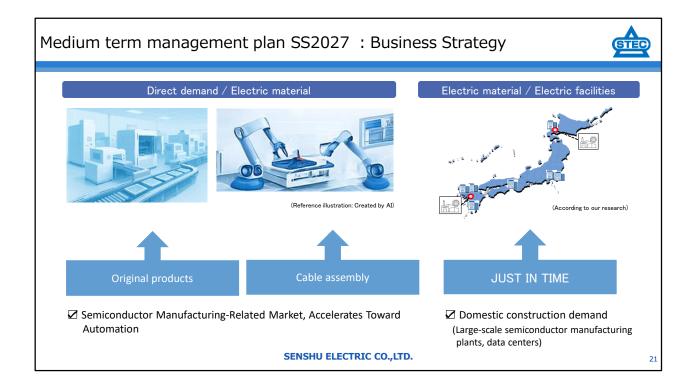
|                          |             | 2024/10 2025/10  |             |  | Industry |  |                        |
|--------------------------|-------------|--|-------------|--|----------|--|------------------------|
| Semiconductor<br>related | <b>&gt;</b> | Increased demand for AI     Manufacturer Inventory     Adjustments | <b>&gt;</b> | AI boom fuels rapid growth,<br>but regional disparities exist     Remnants of inventory<br>adjustments                     | <b>~</b> | AI demand continues     Gradual increase   | Direct                 |
| Machine tools related    | <b></b>     | Manufacturer Inventory     Adjustments                             | <b>&gt;</b> | Manufacturers' production<br>plans bottom out  | <b>~</b> | Strong external demand, but<br>domestic demand remains<br>limited  |                        |
| Automobile<br>Related    | <u>*</u>    | Steady growth  | <b>&gt;</b> | Stagnation in capital<br>investment due to U.S.<br>tariffs   | <b>~</b> | Capital investment in electric vehicles and storage batteries     U.S. Tariff Response (Burden)                              | material               |
| Renewable energy-related | <u>*</u>    | Solar power generation<br>increase                                 | <b>&gt;</b> | Solar power generation<br>growth is slowing  | <u> </u> | Increased electricity demand<br>(semiconductor factories and<br>data centers)  | Electric<br>materia    |
| Construction<br>Related  | 1           | Large semiconductor plant     Redevelopment,     Data center       | <b>→</b>    | Construction projects exist, but<br>there are delays in the<br>construction schedule and gaps<br>in construction activity. | 1        | Construction of large-scale<br>semiconductor factories and<br>data centers     Construction delays due to labor<br>shortages | Electric<br>facilities |
| Copper price             |             | • Rapid rise   | <b>—</b>    | Fluctuated wildly but<br>remained at high levels   | <u></u>  | Gradual increase   | _                      |
|                          |             | SENS   | HU ELE      | CTRIC CO.,LTD.   |          |  |                        |

As for the medium term market environment forecast, it is merely a prediction.

What we are observing now is different from the forecast a year ago, but the recovery of semiconductor machine tools is slightly delayed.

The automotive sector is similarly affected, with the strong influence of the Trump tariffs being a noticeable factor this time.

The renewable energy sector will continue, I think the construction sector might temporarily pause and then start to grow again, leading to this kind of development.

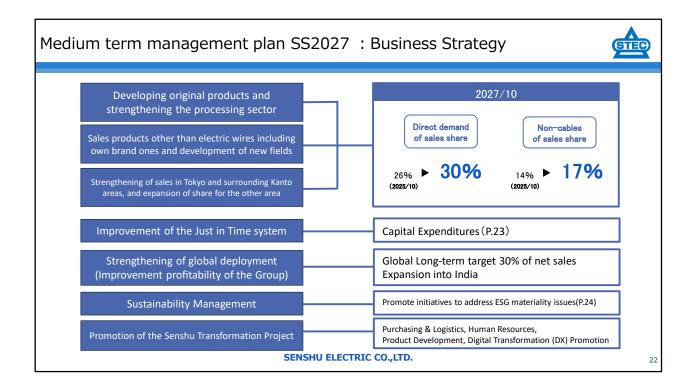


Our business strategy involves making strong sales of original products in the FA semiconductor field or advancing cable assembly processing.

Additionally, there is the JUST\_IN\_TIME system.

With the maintenance of almost all bases nationwide being completed, I believe we will begin to see its effectiveness from now on.

Particularly with the Nagoya FA Center, which was opened in April, the concentration of machine tools, semiconductors, and automobile-related industries in the Tokai region means we can further expand the market for our products. We aim to move forward while also collaborating with overseas partners.



This is an outline of our medium term strategy. We plan to expand the sales of our original products, our own brand items, and Non-Cables.

The share of sales from direct demands is currently about 26%, but we would like to increase this by another 4 points to reach 30%.

If we achieve this, I believe we will have a very high profit margin.

Depending on copper prices, I think now is the time to focus our efforts on direct sales.

Alternatively, many non-cables products have high profit margins, including processing, and we aim to increase the current sales structure of 14% to 17%.

When combined with direct demands, this totals 47%.

Currently, the figure is just over 40%, so if this succeeds, I believe it will result in significantly greater overall strength.

We also need to enhance our just-in-time capabilities.

Senshu Electric has earned customer trust because of our strong product lineup, holding inventory, and being able to deliver in line with customer needs.

Not only customers but also manufacturers place great trust in this.

There is an increasing demand to distribute goods across various regions and locations. Additionally, it's global.

In the long term, Japan's population is decreasing.

The current population of 120 million yen is expected to decline to 80 million yen by 2050. Although it is still in the future, it is anticipated that there are limits to expanding business performance solely in the Japanese market, so we are currently focusing our efforts on overseas markets.

Regarding the overseas market, Japan's semiconductors, automobiles, machine tools, and not only Japanese manufacturing but also the entire Japanese industry are expected to expand further internationally. In this context, I believe that there is still significant potential for expansion of our trading in electric cables.

From our current focus in Asia, we have started to expand partly to America. Next, even within Asia, we are considering areas like East Asia, India, and then the Middle East, Africa, and Europe as regions with much to be done, and I want to proceed steadily and diligently.

## Medium term management plan SS2027: Development of new fields and new products



#### **Soil Heater**

Annual sales of 1 billion yen in agribusiness by 2027



## Subterranean heated vinyl lines for agricultural use.

Contributes to CO2 emission reduction by directly heating soil in plastic greenhouses, etc., and increases harvest turnover (cycle) by accelerating the speed of growth.



#### Contribute to the SDGs

**Decarbonization and energy savings** compared to boilers that use fuel.





## Test Field (Inazawa House) In April 2025, we relocated and newly

In April 2025, we relocated and newly constructed **the Soil Heater Test Field** (Inazawa House) near the Nagoya FA Center. We are conducting various tests, primarily focusing on strawberries.



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This is our new product, the Soil Heater.

About Expo 2025 Osaka, Kansai, Japan for just three days in June 2025, we had the opportunity to display this product. It was only for three days, but we had the opportunity to exhibit this product.

It was at a place called the TEAM EXPO Pavilion, just inside the West Gate of the Expo, taking a right, near the corner where the flying cars are displayed.

We exhibited this product there for three days.

It was only for three days, but we had about 2,000 visitors, and I was able to handle overseas customers for one day.

I explained how this product is beneficial to the environment, how it helps the growth of agricultural products, and how it is being accepted by agricultural businesses within Japan. Just at that time, a company that became number one in Japan for strawberries also attended, and it was impressive to have them help with the PR together.

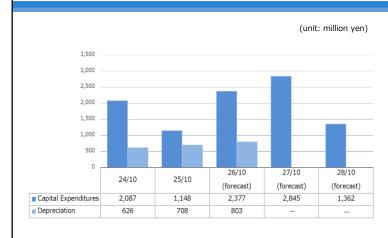
While it states an annual sales figure of 1 billion yen, the sales itself is important, but our brand recognition has significantly increased. Therefore, I believe we can now focus more on expanding sales.

Until now, we have been using heavy oil to heat inside the greenhouse, but with the rising cost of heavy oil and its CO2 emissions, this unique electric wire that directly warms the soil has become very notable. It is said to be highly beneficial for plant growth, environmentally friendly, cost-effective, and accelerates plant growth. I believe this product can be marketed on a global scale.

We would like to firmly engage in PR from now on.

## Medium term management plan SS2027: Capital Expenditures and Depreciation





#### 2025/4 Nagoya FA Center Opened

Expanding the cramped logistics warehouse at the Nagoya branch, we relocated to a newly constructed facility as an FA Center for cable assembly, control panel assembly, and other operations.



#### 2026/10 Okinawa Office (tentative name)

Currently under planning to expand the operations of the Okinawa Distribution Center

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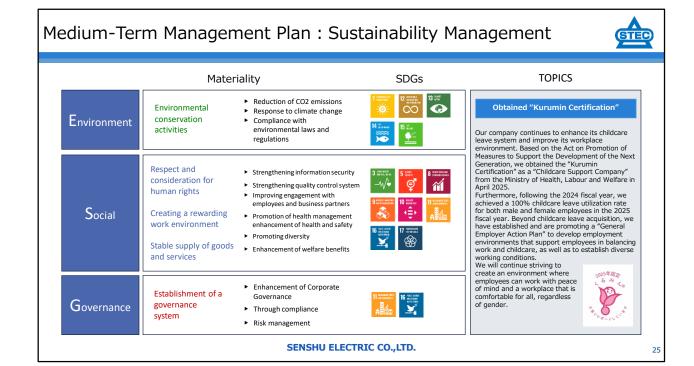
Next, regarding the situation of Capital Expenditure. For the current term, it is 1,148 million yen. Although this is about 500 million yen less than originally planned, we are proceeding with the Capital Expenditure.

Moreover, for the October term of 2026, it will be 2,300 million yen. For these years, 2025 and 2026, the focus will be on FA-related projects in Nagoya.

As a result, the burden of cancellations is also increasing.

Additionally, there is a project to relocate and construct a new headquarters around 2027 and 2028.

There is also the construction of a new Kusatsu FA center, Furthermore, there is the construction of a new Okinawa office. We are planning Capital Expenditures to advance these projects.

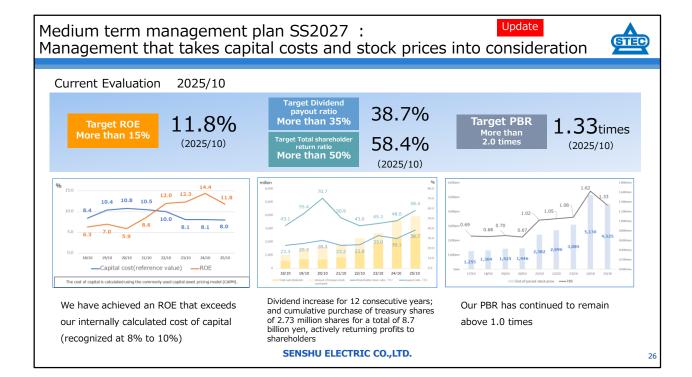


Lastly, there is Sustainability Management.

As a publicly listed company, we need to firmly advance the three elements of environment, society, and governance. Additionally, there are the 17 goals of the SDGs. We will be proceeding while incorporating these elements.

We have obtained the Kurumin certification, and are further advancing our business developments to support women's participation.

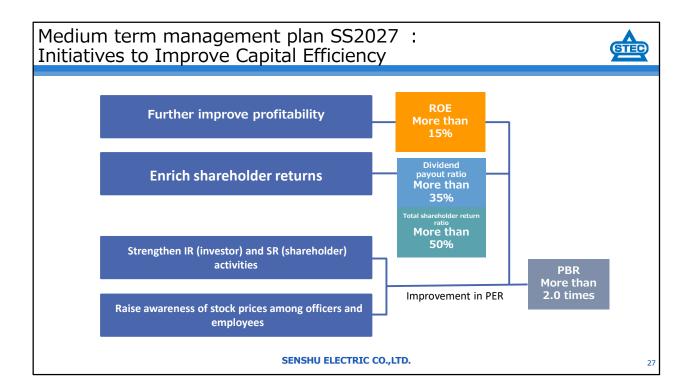
We are also working towards the long-term target of increasing the ratio of women in management positions.



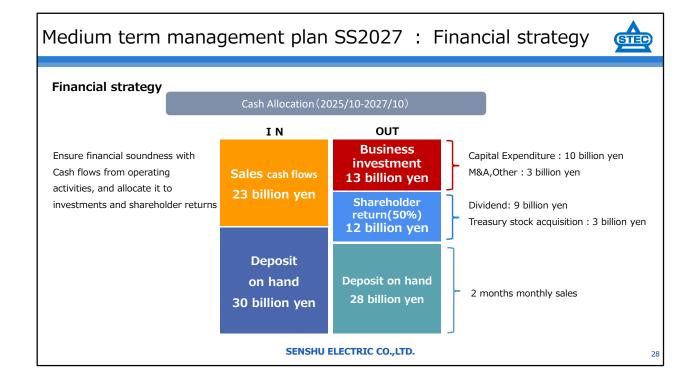
Management that takes capital costs and stock prices into consideration Unfortunately, the ROE has taken a step back, but we aim to increase the profit margin again towards more than 15%. We are also working towards a dividend payout ratio of more than 35%.

As for the PBR, we are targeting more than 2 times. We announced simultaneously an incentive for the employee stock ownership plan.

We are setting up this system, so generally, as a company, we want to firmly establish a management approach that is conscious of the stock price.



In doing so, we intend to adopt a strategy to increase capital efficiency, which we believe will contribute to enhancing corporate value.



Cash allocation is as follows.

Our cash reserves currently exceed 30 billion yen, and depending on copper price movements, there is potential for further cash growth. We will carefully manage this while proceeding with shareholder returns as necessary. Additionally, this M&A project is highly volatile. If we come across a good project, bold investment is deemed necessary.



4. Reference data

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## Electric wire and copper price



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There are two types of electric wires: copper and aluminum wires, and most of the wires we deal with are copper wires. Therefore, the market price of copper is important for the sale of electric wires. Copper price and sales trends are as follows.

The domestic copper quotation is determined by JX Nippon Mining & Metals based on the international copper quotation determined by the London Metal Exchange (LME) and the exchange rate.



As for reference materials:

Regarding copper prices, last year's average was 1,460,000 yen, but currently, it is 1,880,000 yen. This marks an increase of 400,000 yen per ton compared to last year's average, indicating we are entering a new territory. Frankly, the general impression of the industry is one of bewilderment, and it is uncertain where it will eventually settle.

The reason for this increase, to be frank, is largely due to fundamental factors.

These prices are determined by the supply and demand relationship.

First, regarding the supply of copper, it is limited.

There have been accidents at copper mines, particularly at major mines, and it is said that recovery might take about another year.

These are overseas mines, and while new mines are being developed, it is said that many of them will start operating in 5 to 8 years.

At present, while the supply of copper is not increasing, the demand for copper is steadily rising. One of the reasons is AI and semiconductors. With the spread of AI, data centers are being planned worldwide, and AI consumes a lot of electricity. Consequently, data centers are also expected to consume significant amounts of electricity, leading to an increasing demand for electric cables for such facilities.

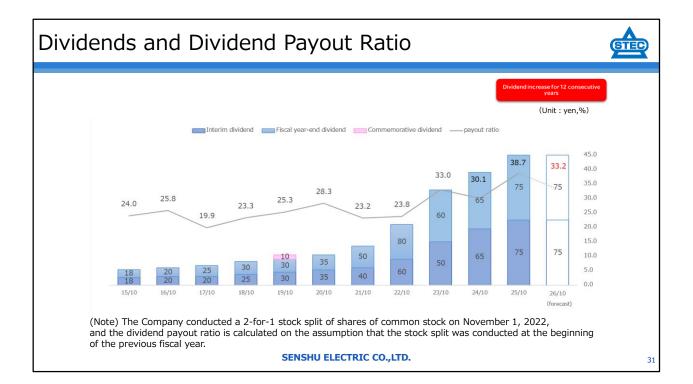
As the demand for clean energy intensifies, there is a shift towards solar, wind, and other renewable energies. It is said that significant amounts of copper are used in these areas as well.

The third point is the overall economic trend.

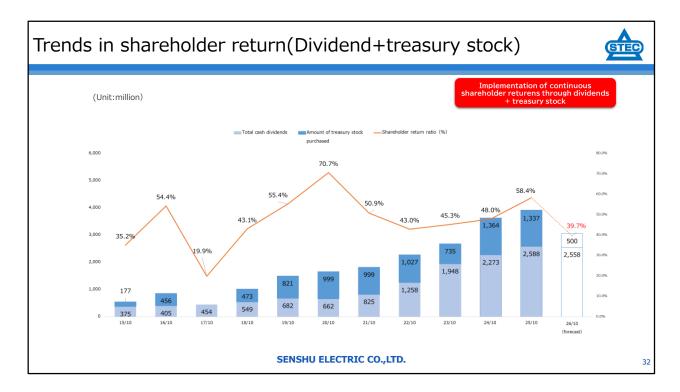
The largest factor is China.

Even though it has been said for over three years now that China's economy is not doing well, I think the real estate sector has not improved yet. However, when it comes to manufacturing, China has significantly strengthened its capabilities. In areas such as semiconductors, automobiles, and robotics, China has become considerably more powerful. The demand in these sectors is expected to grow, along with infrastructure demands in developing countries, which is driving up the demand for copper. This is the background. Also, in terms of the environment, there is electric vehicle development.

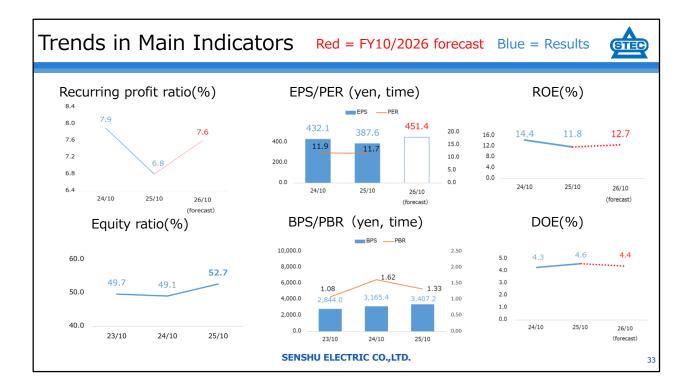
It is said that electric vehicle use about four times the amount of copper compared to gasoline cars. I think the market share of electric vehicles will increase from now on. Thus, in the medium to long term, the demand for copper will rise, making this an area to watch closely.



There's also the trends of dividends. The key point is how we can continue increasing dividends.



Additionally, shareholder returns, including dividends and treasury, are important.



Here are the various indicators.

Our company aims to achieve a PBR higher than 2 times as a target, and we are committed to enhancing corporate value.

### Trends in Main Indicators



|                                  | 2017/10     | 2018/10     | 2019/10     | 2020/10     | 2021/10     | 2022/10     | 2023/10     | 2024/10     | 2025/10     |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net Sales (million yen)          | 74,956      | 82,038      | 83,676      | 74,288      | 92,463      | 113,633     | 124,967     | 136,153     | 135,591     |
| Operating profit (million yen)   | 3,202       | 3,868       | 3,979       | 3,124       | 4,743       | 7,464       | 8,366       | 10,349      | 8,952       |
| Reccuring profit(million yen)    | 3,455       | 4,105       | 4,206       | 3,382       | 5,004       | 7,894       | 8,770       | 10,761      | 9,272       |
| Profit attributable to owners of | 2,289       | 2,371       | 2,714       | 2,351       | 3,583       | 5,314       | 5,920       | 7,578       | 6,717       |
| parent(million yen)              | 2,209       | 2,3/1       | 2,/14       | 2,331       | 3,363       | 3,314       | 3,920       | 7,376       | 0,717       |
| Operating Profit Margin          | 4.3%        | 4.7%        | 4.8%        | 4.2%        | 5.1%        | 6.6%        | 6.7%        | 7.6%        | 6.6%        |
| Equity ratio                     | 58.0%       | 56.8%       | 57.7%       | 59.8%       | 50.9%       | 48.4%       | 49.7%       | 49.1%       | 52.7%       |
| ROE                              | 6.4%        | 6.3%        | 7.0%        | 5.9%        | 8.6%        | 12.0%       | 12.3%       | 14.4%       | 11.8%       |
| End of period stock price *      | 1255 yen    | 1304 yen    | 1425 yen    | 1446 yen    | 2382 yen    | 2696 yen    | 3085 yen    | 5130 yen    | 4525 yen    |
| Net assets per share *           | 1830.83 yen | 1921.82 yen | 2047.40 yen | 2147.90 yen | 2342.59 yen | 2578.24 yen | 2843.95 yen | 3165.42 yen | 3407.21 yen |
| PBR                              | 0.69 time   | 0.68 time   | 0.70 time   | 0.67 time   | 1.02 time   | 1.05 time   | 1.08 time   | 1.62 time   | 1.33 time   |
| Annual Dividend                  | 45 yen      | 55 yen      | 70 yen      | 70 yen      | 90 yen      | 140 yen     | 110 yem     | 130 yen     | 150 yen     |
| Dividend payout ratio            | 19.9%       | 23.3%       | 25.3%       | 28.3%       | 23.2%       | 23.8%       | 33.0%       | 30.1%       | 38.7%       |
| Total shareholder return ratio   | 19.9%       | 43.1%       | 55.4%       | 70.7%       | 50.9%       | 43.0%       | 45.3%       | 48.0%       | 58.4%       |

Listed on the First Section of the Tokyo Stock Exchange on November, 2017 Listed on the Tokyo Stock Exchange Prime Market on April, 2022

\*As a result of a stock split at a ratio of 2 for every common share conducted on November 1, 2022, the end of period stock price and net assets per share figures prior to the fiscal year ending October 2021 are shown at 1/2.

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These are the main indicators.

Although unfortunately, the previous year showed a trend of decreasing profits, the October 2024, achieved considerably high sales and profit.

Regarding the decrease in profit compared to that, the previous fiscal year, the October 2023, actually exceeded it. Although special factors played a role and the October 2024 could not be matched, I would like you to understand that we are still in a trend of increasing sales and profits.

We will firmly return to the trend of increased sales and profits, so we ask for your continued support.

# Thank you for your attention.



Stock code: 9824

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The October 2026 has started with various challenges left, but we aim to steadily improve business performance and corporate value, and we ask for your continued support.

Thank you very much for your attention.

#### Notes on the content

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